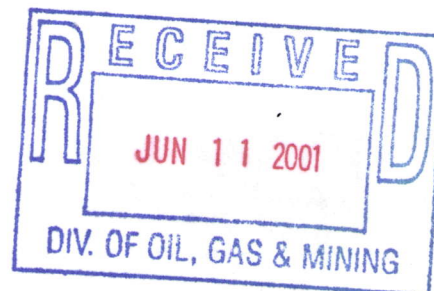


SF Phosphates Limited Company
9401 North Highway 191
Vernal, Utah 84078
PHONE: 435-781-3348
FAX: 435-781-3332

m/047/007

SF Phosphates Limited Company

FAX



TO:	Tony Gallagos/Wennetted bag	FROM:	Ron Ryan
FAX:	801-399-3940	PAGES:	
PHONE:		DATE:	
RE:		CC:	

COMMENTS

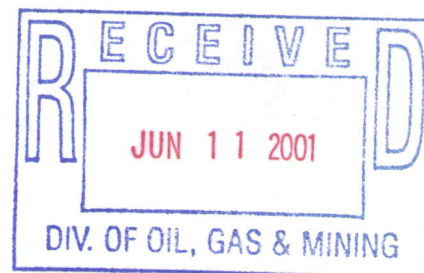
Please review + call with additional comments.

Ron Ryan

DRAFT*m/047/007*

June 11, 2001

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801



RE: UDOGM 'Revision Review Comments' dated May 10, 2001.

Dear Mr. Hedberg:

These comments are numbered corresponding to the paragraphs in the May 10, division response.

1. We acknowledge the misunderstanding and have no problem with using the Stevenson quote.
2. The revised cost estimate for reclamation of the tailings impoundment includes what appears to be several redundant or unnecessary costs. Contractor quotes were used for the \$12/acre figure for aerial seeded of the nurse crop. Copies are attached. Aerial seeding might also be appropriate for the final vegetation. The cost estimate uses a D4 rather than farm implements as proposed. Farm implements are ostensibly much better suited for level, uniformly fine-grained, workable tails soils. The rate for performing the tasks with farm implements is \$55/acre, which includes discing and seeding. The events labeled 'discing nurse crop' and 'applying seed and fertilizer' should be combined, and the rate obtained from the local contractor used in the estimate. Copies of the cost estimates for these tasks are attached. Likewise, an event was added to "disc mulch in". If this event is necessary, farm implements would be much more efficient. A second fertilizer event is also unnecessarily included, when one application should remedy soil deficiencies.
3. The Reclamation progress map has been refined as requested.
4. The Division's costs are acceptable. No further discussion necessary.
5. See comment 2, above.
6. No further discussion necessary.
7. No further discussion necessary.
8. No further discussion necessary.

DRAFT

9. The printed number of 100 cy/ mound was a typo. The calculations were based on 1000 cy/mound. The cost for the full 10 mounds, as calculated using the CAT manual for production rates and a D-8 and operator obtained from a local contractor (copy attached) is \$4680. This figure uses the CAT rating of 600 yd³ per hour, a .75 factor for average operator ability, a 1.2 factor for loose material, a .67 efficiency factor and a 1.0 factor for 0% grade. The total hours were rounded up to 30 and multiplied by the rate of \$140/hour (estimate attached). Because only 317 acres, about half of the 609 acres used for this calculation, is considered, only half of the costs, or \$2340 are associated.
10. No further discussion necessary.
11. The Division's estimate and task description is adequate to provide complete reclamation of the Landfill as detailed in the Class IIIb Landfill Application.
12. No further discussion necessary.
13. No further discussion necessary.
14. An estimate has been obtained and is attached for complete demolition of buildings and concrete from a separate contractor.
15. The means estimate has been abandoned in lieu of a direct estimate of building demolition costs from a contractor. The estimate is for \$407,500 and a copy is attached.
16. See 15
17. Because the cost of carrying the escalation is significant, SF Phosphates wishes the Division consider a 3 year escalation period.

I hope that these comments help resolve the remaining issues of the bond recalculation expeditiously. If you have any questions, please call me at 435-781-3348.

Sincerely,

Ron Ryan
Environmental Specialist

SPURLOCK'S AVIATION
P.O. BOX 26
9873 EAST 4000 SOUTH
JENSEN, UTAH 84035
(801) 789-4755

DATE:

No:

Name: S.F. Phosphate L. hereinafter the Buyer.Home Address: 9401 N. US Hwy 191 Phone: 789-7795

Buyer hereby agrees to purchase the following described Aerial
Application Service and further agrees to the terms and conditions as herein
set forth.

Crop: Seeding Acres: 50 County: Utah

Field Description & Location:

Chemical: As recommended by the USDA and as per label

EPA#: "DO NOT CUT FOR:" DAYS

When desired:

.....

Completion Dates:

DATE:

TIME:

WIND:

TEMP:

PILOT

NORTH			
W			E
E			S
S			T
SOUTH			

Use these
symbols forfilling in
the map:

•
LINES
TREES XXX
BUILDINGS □
ROADS ———
R.R. ———
RAVINES ———
LAKES OR
PONDS

8
Show any other
which may help
the pilot or
ground crew.

Remarks:

Chemical: \$..... Acres @ \$.. 12.00 per acre Total: \$.....

Buyer agrees to inform surrounding neighbors of his intentions to apply
chemicals by airplane, to assume all potential and actual damage which may
result from drifting chemical and to pay promptly on receipt of statement for
work completed.

X..... Buyer

We agree to furnish the above mentioned service, material and labor, to
follow recommendations of the USDA, and to perform the above stated service in
a careful and workmanshiplike manner as directed by the buyer.

By: Rich Spurlock

PAYMENT DUE 30 DAYS FROM SERVICE DATE

**TRI DELTA IRON & METALS**

a division of tri delta engineering

June 8, 2001

Mr. Ron Ryan
SF Phosphates LC
9401 North Highway 191
Vernal, UT 84078

Mr. Ryan:

Tri-Delta Irons and Metals is pleased to provide you with this cost estimate. The total estimate for building and concrete demolition and removal at the SF Phosphates Vernal mine is \$407,500. This is for complete demolition and disposal at your site and includes all structures listed on the table provided by you and in place as of the date of our site inspection. This estimate is good for up to 12 months from today's date.

Should you have any questions please call 651 334 4480.

Juel Jordahl
Engineer
Tri Delta Iron & Metals
2710 South Shore Blvd.
Whitebear Lake MN, 55110

FROM : SPANISH FORK-FLYING

JICE!

PHONE NO. : 8017982900

Jan. 12 2001 03:26PM P1

2050 North 300 West
Spanish Fork, UT 84600
(801) 798-8888

Spanish Fork Flying
Service

Fax

To: Mike Slater	From: Tom Woodhouse
From: 435-781-3382	Pages: 1
Phone: 435-781-3388	Date: 01/12/01
Re: Cost for Job at Vernal Details	CC:

☐ Urgent ☐ For Review ☐ Please Comment ☒ Please Reply ☐ Please Recycle

• Comments

For the job at Vernal that Tom talked to you over the phone it will cost approximately \$600.00 a trip. This includes:

- Flying out there
- 3 1/2 pounds of seed per acre
- 175 pounds of seed each time / that equals 50 acres each trip

If you have any other questions please contact Tom at 801-798-8888 .

Thanks

Tom Woodhouse

Craig's Roustabout ServiceP.O. Box 41 • Jensen Utah 84035
435-789-4242

No 6317

TO SF Phosphate Service Order No. _____ Date 2-10-2000
Location _____

NAME AND EQUIPMENT	CLASS	HOURS	PRICE	OVERTIME	TOTAL
Mobilize D-8 Cat Fl Vernd To Jobsite					480
Cat D-8 Type Dozer w/ Oper.			140 ⁰⁰ hr.		
Disc + Drill Seed on approximately 550 acres			55 ⁰⁰ Per acre		

MATERIALS**WORKED PERFORMED**

Mobilize Dozer To Jobsite # 480 ⁰⁰	TOTAL	N/A
Dozer Earthwork Material 140 ⁰⁰ Per hr.		
Disc + Drill seed Fl Revegetation 55 ⁰⁰ Per acre		

Operator [Signature]

Company Signature _____

WHITE-Invoice Copy YELLOW-Company Copy PINK-Office Copy GOLD-Stay in Book

CONTRACT AGREEMENT: There will be a FINANCE CHARGE OF 1 1/2% PER MONTH (18% annually) on accounts over 30 days. If collection is made by suit or otherwise, I agree to pay interest until paid, also collection costs including a reasonable attorney's fee.